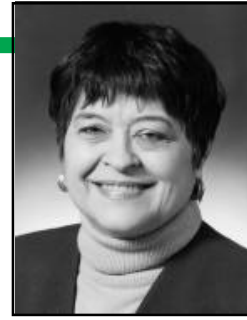




Rep. Marlin Appelwick



Sen. Ken Jacobsen



Rep. Phyllis Gutierrez Kenney

46th Legislative District News



Rep. Marlin Appelwick
Sen. Ken Jacobsen
Rep. Phyllis Gutierrez
Kenney

Post-session 1997

46th District
Seattle District Office
2611 NE 125th, Suite 106
Seattle, WA 98125
(206) 368-4489

Committees:

Rep. Marlin Appelwick
• *House Minority Leader*
• House Rules

Sen. Ken Jacobsen
• Natural Resources
(*Ranking Minority Member*)

• Transportation
• Energy & Utilities
• Pension & Policy

Rep. Phyllis Gutierrez
Kenney
• Appropriations
• Law & Justice
• Higher Education
(*Assistant Ranking Minority Leader*)

Dear neighbors:

The 1997 Legislature has completed its 105-day session and it's good to be home.

We were able to complete promises to reform the state's juvenile justice system. The Juvenile Justice Act of 1997 is a landmark bill, offering the first comprehensive reform of juvenile justice laws in 20 years. We ended "welfare as we know it," pursuant to a Congressional mandate, enacting a historic welfare reform plan that is among the nation's most humane, balancing access to training against tightening work requirements.

With Washington's economy still strong, the state was in the enviable position of having more money coming in than it could spend under the restrictions of Initiative 601. Therefore, we made tax cuts of \$414 million for the next biennium. The largest cut benefits service-related businesses through a B&O tax cut, effective July 1, 1998. The majority cut state income/spending levels more than voters had requested, \$112 million below the limit which voters set with Initiative 601.

One big disappointment was the legislative failure to shape important responses to real problems rather than just cutting taxes. In fact, this legislature dismantled successful education, health care, transportation, worker re-training and other programs.

In the interests of efficient government, we supported Governor Locke's directive that all state agencies trim budgets by 5%, so that more funds could be diverted to education. We believe that the state ought to live up to its Constitutional mandate to fully fund basic education as its first priority. Unfortunately, the majority treated education badly — decreasing appropriations by \$70 per pupil (adjusted for inflation.) We will continue to work to reverse this trend and increase funding and quality in education.

It is an honor to serve as your 46th District representatives.

Marlin Appelwick

Ken Jacobsen

Phyllis Gutierrez Kenney

K-12 Education

Washington's Constitution specifies that education be the state's number one priority. Unfortunately, education lost ground in the 1997 Legislative session.

Education spending is lowered, when inflation is considered. When a 2.4% inflation rate is factored in, per-pupil spending will go down \$70 next year. Overall, Seattle schools estimate a loss of \$3.5 million next year due to inflation.

The 1997 Legislature adjusted the levy lid formula. The good news is that a 4% raise in the levy lid, approved on a temporary basis in 1993, will become permanent. The bad news is the raise will be phased in, beginning at a lower rate than current levels (2% additional in 1998 and 4% in 1999, instead of continuing the temporary lid of 4% which Seattle schools had expected.) That change results in \$9 million less than Seattle Schools had anticipated.

The Legislature raised salaries for K-12 teachers by 3% next year and 0% the following year, failing to keep pace with inflation. Despite this modest raise, Republican lawmakers did not provide funding for all teacher raises from state dollars. (Seattle has to pay for salary raises for 900 teachers out of non-state monies.)

There are other pressures on schools. Statewide, school enrollment has grown faster than the general population since 1991 (16.7% vs. 11.4%). The number of at-risk students is increasing. Each year, Seattle schools has additional special education students, bilingual students and an increasing number from poor families. Coupled with shrinking federal dollars, our schools still face a fiscal challenge. Seattle schools estimate they will lose \$8 million next year due to inflation, the 2% higher levy lid (rather than 4%) and increased operational costs.

The bottom line is that Seattle schoolchildren will have less dollars at the same time that higher academic standards are expected. For example, at Alternative Elementary II in North Seattle, parents are being asked to contribute \$150 per family to maintain staffing.

It could have been worse. Early legislative plans proposed deeper education cuts. At the insistence of Democratic lawmakers and the Governor, cuts were softened. Complex needs funding was retained, including \$2.3 million for Seattle schools. Half of the cuts to magnet schools were restored, meaning Seattle schools will get \$620,000 of its current-level funding of \$1.3 million. Majority lawmakers also refused \$16 million in federal Goals 2000 funds. Gov. Locke restored such funding through a veto.

Unfortunately, the highly-successful School-to-Work programs which have reduced drop-out rates and enhanced job-related skills will not receive any earmarked funding from the state next year. School-to-Work programs in North Seattle, including popular

programs at Nathan Hale and Ingraham will probably be less impacted than others statewide, since Seattle's School-to-Work programs are generally more reliant on King County than state funding.

On the positive side, schools will also receive one-time funding to improve classroom technology. The Legislature also enhanced funding for gifted students, allowing more students to participate.

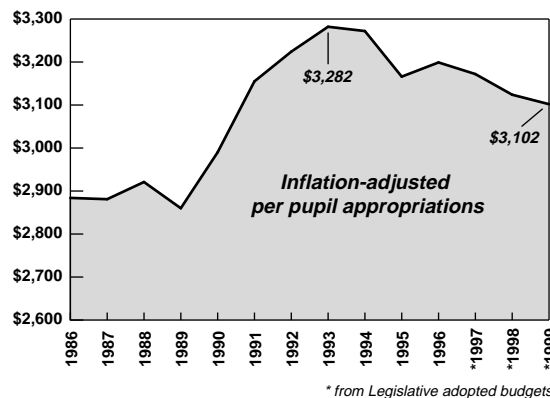
Meanwhile, the public will to improve schools is definitely

present. According to a poll by the non-partisan Future of Washington Schools, 76% of 1,000 respondents say more money should be spent on education, even if that means cutting other state programs.

Washington is halfway through a six-year intensive effort to raise academic standards and make education meaningful. Washington's 1993 education reform law does for schools what citizens want in every part of state government — holding agencies accountable for performance and creating incentives for excellence.

Early test results of education reform are in. Five school districts (Kennewick, Evergreen, Central Kitsap, Yakima and Bainbridge Island) chose to implement education reform five years early. In all five districts, academic scores are markedly up in focused areas.

School spending has been stagnant or dropping since 1993



46th Legislative District News

Higher Education

Governor Locke often cites education, including higher education, as “the great equalizer.” Following this emphasis, the Legislature agreed to:

- Boost college enrollment by 6,400 students in preparation for the baby boom “echo” which will bring 84,000 more college applicants in the next 15 years
- Increase the State Need Grant Program for student financial aid by \$24 million
- Increase work study by \$2.3 million for an additional 735 students
- Increase Education Opportunity Grants by \$2.75 million for an additional 550 students
- Implement a prepaid college tuition program, enabling parents to pay for a future college education at today’s prices
- Approve \$546 million for higher education construction projects, including improved branch campuses
- Approve a special \$4 million fund to recruit and retain faculty

Unfortunately, the majority party’s salary adjustment for faculty (3% pay raise next year, 0% the following year) failed to make Washington’s universities nationally competitive for faculty recruitment and retention. The Legislature also failed to address the growth of part-time faculty at community colleges, continuing to widen the pay disparity between full and part-time faculty.

The Republicans also cut workforce training at community and technical colleges, including training for displaced workers from depressed industries such as timber and fishing. Programs were cut by more than \$60 million, affecting as many as 4,000 displaced workers. These were critical programs that we fought for until the bitter end.

Juvenile Justice

We sought a realistic approach to juvenile crime that would deter future problems, not just send a “get tough” message. The bill was necessary to stem violent juvenile crime, which has been rising while overall adult crime has been falling.

The Juvenile Justice Act of 1997 offers the first comprehensive reform of Washington’s juvenile justice laws in 20 years. The landmark legislation reforming juvenile justice laws was an effort initiated by Democrats in 1990.

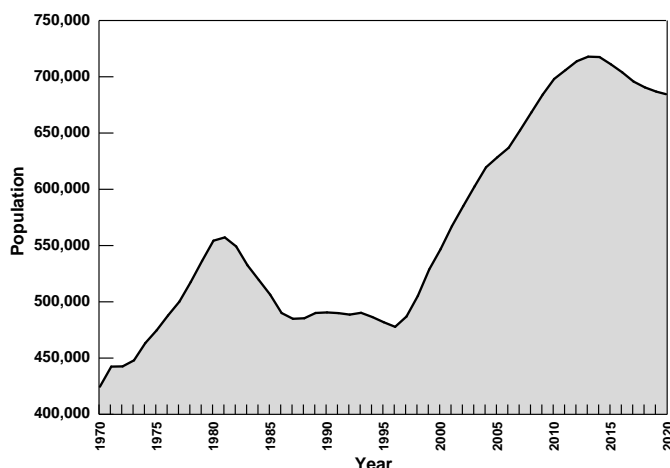
That approach meant increasing the number of juveniles tried as adults, while giving judges more discretion in determining which offenders are hardened criminals. We recognize that adult prisons are not always the best way to rehabilitate youthful offenders. Studies show that juveniles sent to adult prisons may be more likely to re-offend. Since judges are in the best position to consider past criminal history and likelihood of repeat offending, they must be given latitude concerning sentencing.

The bill creates greater accountability for youthful offenders. It sets up a new, simplified sentencing grid. Juveniles will be automatically tried as adults if charged with first degree rape of a child, drive-by shooting, first degree armed robbery, burglary in the first degree (if the teen has a prior record) or any violent felony committed with a firearm. (Currently, about 150-200 juvenile offenders are tried as adults each year for serious offenses such as murder.) Approximately 155 more juvenile offenders will be tried in adult court each year.

The bill is not just punitive. It emphasizes drug and alcohol services. It’s estimated that in many communities as many as 80% of juveniles who come before court have serious drug and alcohol problems.

The bill also encourages parents to become more involved in the court process. It allows the transfer of court cases to the county where the family lives. It allows parents to participate at all phases of the court

State Population Forecast – 18-24 year olds



46th District: Rep. Appelwick, Sen. Jacobsen, Rep. Kenney

process. Courts are allowed to order that parents attend their children's court hearings.

The legislation also increases community involvement. It creates the Community Juvenile Accountability Act, which provides community-based programs.

Vulnerable Adults

There were other legislative developments concerning criminal justice. By a vote of 97-1, the House of Representatives passed legislation helping thousands of vulnerable elderly adults and children in the care of others. Rep. Phyllis Gutierrez Kenney was the prime sponsor of HB 1946 which was later attached to ESSB 1850. That legislation will significantly strengthen day-to-day safety for thousands of the state's most vulnerable elderly adults and children, by tightening mandatory criminal background checks of care givers.

The legislation requires that the State Patrol investigate and disclose prior criminal history for those caring for vulnerable persons in child care facilities, adult care facilities, group homes and related institutions, including all long-term care services such as nursing homes. Until now, individuals with a history of violence, theft or abuse could provide services to vulnerable adults without a required criminal background check. The bill eliminates those loopholes.

Welfare

The 1997 Legislature reformed Washington's welfare laws, following 60 years of federal welfare programs. Following up on his promise "to reform welfare as we know it," President Clinton signed legislation last August that changed welfare to temporary assistance, implementing a five-year lifetime limit on receipt of benefits. It replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance to Needy Families (TANF) block grants to states. States design their own welfare approaches.

Democratic legislators and Governor Locke sought to ensure that welfare recipients were not being set up for failure in poverty-level jobs without access to affordable child care, options for low-cost health care, transportation access or job training. What emerged is not ideal, but represents a more humane and

workable plan for Washington's poorest citizens than that originally proposed. Washington lawmakers and the Governor took a stand that said legal immigrants should be treated equally. That differed from federal legislation which directed heavy cuts against immigrants.

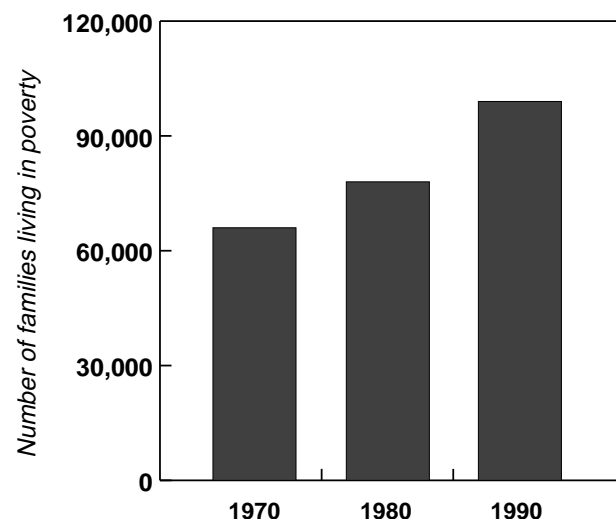
In North Seattle, about 8 percent of all households are on some sort of assistance. The state has been analyzing welfare data with surprising findings. For example, most families who receive welfare work at least part of the year. It is wrong to believe, as many do, that poor children live in families where parents could work but do not. In Washington, the vast majority of poor children live in families with at least one working parent.

Although greater protections are in place in Washington, the hard work remains. We have to find jobs for 96,000 welfare recipients over the next five years. That won't be easy, even in a positive economy. While Washington ranks 7th among all states in job growth, its unemployment rate is 10th highest in the nation.

The challenge has been issued to all of us. Already, communities are pulling together. The Seattle Chamber of Commerce and Seattle's Jobs Initiative (a collaborative program of city government, business and others) have taken the lead.

State welfare legislation requires DSHS to base programs on measurable outcomes and effectiveness will be carefully tracked. We welcome your input.

Washington families living in poverty



Source: Office of Financial Management

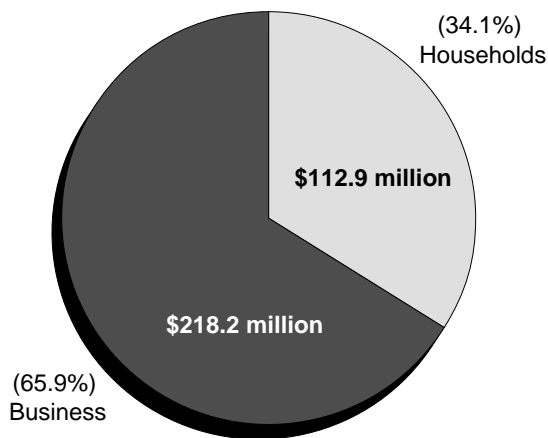
Taxes

Faced with a budget surplus it couldn't spend (due to Initiative 601), the Legislature gave more than \$400 million in tax breaks for the 1997-98 biennium and possibly twice that amount for the 1999-2001 biennium.

B & O Taxes

B&O taxes for service businesses were rolled back, amid an upbeat state economy that continues to bring in more revenue than needed. The economic climate is far

Tax breaks granted in 1997 were weighted toward business



different than in 1993, when the state faced a \$1.7 billion budget shortfall. Business then was sluggish, with massive Boeing layoffs. At that time, the state raised B&O taxes on service businesses. With the most recent legislative action, the B&O tax rollback becomes effective for service businesses on July 1, 1998.

Property Taxes

Property taxes were prominently debated this session. Property taxes have been rising across the country as assessed values escalate. Washington ranks 21st in the country for the amount of state and local property tax charged. Washington residents paid \$739 per capita in fiscal year 1993 (the year for which the most current statistics are available).

In 1996, the Legislature granted homeowners a one-time only 4.7% cut in the state portion of the property tax. That resulted in homeowners getting reduced taxes of roughly \$17 per \$100,000 assessed value.

This year, Democrats argued for a deeper cut to homeowners, pointing out that businesses have been the primary beneficiary of tax cuts in the last two years, garnering 92% of \$1 billion in tax rollbacks and therefore they shouldn't also receive 60% of the property tax rollback. The Democratic property tax cut, targeted to homeowners only, would have saved most homeowners \$205 annually. On the other hand, Republicans argued for a continuation of the 1996 4.7% across-the-board cut for both homeowners and businesses in only the state portion of the property tax.

With both sides unable to come to agreement, Governor Locke asked lawmakers to approve a one-year extension of the current state property tax cut, pending further legislative discussions for 1998 tax relief. Lawmakers did not reach a consensus and voters will decide whether the 4.7% state property tax cut should be permanent.

Lawmakers placed the proposed 4.7% tax cut before voters in the form of a referendum on the November 1997 ballot. The referendum combines the 4.7% tax cut with a reduction in the 106% levy lid. The levy lid for the state and some local governments would become 106% or 100% plus inflation, whichever is lower.

Other

Another tax relief measure was ESSB 5286, which exempted businesses from paying taxes on "intangible property" such as goodwill, reputation, patents and copyrights. Proponents argued that the value of "intangible property" is difficult to ascertain. Opponents argued that businesses would be under-taxed if assessors were not able to figure "intangible property" into property values. With the passage of ESSB 5286, businesses will not be separately taxed on the value of "intangible property." According to the King County Assessor, this legislation may cost individual homeowners statewide an additional \$100 annually, as local governments attempt to make up lost revenue.

The Governor recently signed into law SB 5740, which gives increased B&O tax incentives for businesses to locate or expand in economically distressed counties. When rural economies collapse, people move to the cities, but come without much in assets. Their homes and businesses can't be sold at a fair price. They come to our cities with problems, including a shortness of capital. Their burdens become ours.

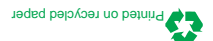
\$112 million more could have bought...

The Legislature could have spent \$112 million more within the limits of Initiative 601. It didn't. Instead, the majority chose to cut programs. Here are some examples of what the money could have funded.

\$112 million could have bought...

- An education for 14,000 people to attend two-year community colleges or job re-training programs for displaced workers, *or*
- Affordable health care for 56,000 working individuals, nearly eliminating the waiting list of those hoping for coverage under the Basic Health Plan, *or*
- A 3% salary hike for teachers in K-12 and colleges to keep pace with inflation in the second year of the biennium, *or*
- An estimated \$15-40 million would have enabled qualified two-parent families in poverty to receive welfare. Currently, such families can only receive welfare if parents at a certain income level are divorced. (This law and lack of funding encourages the break-up of families) *or*
- A stronger rainy day fund. Majority lawmakers spent \$188 million of the state's rainy day fund, while making claims of slashing state spending.

46th Legislative District Newsletter



Rep. Marlin Appelwick
Sen. Ken Jacobsen
Rep. Phyllis Gutierrez Kenney
PO Box 40600
Olympia, WA 98504-0600

BULK RATE
U. S. POSTAGE PAID
Washington State
Department of Printing